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TAGS: PGOV PINR PREL ECON ETRD CO

SUBJECT: URIBE'S CONGRESSIONAL COALITION FRAGILE, BUT
MANAGEABLE

Classified By: Political Counselor John S. Creamer
Reasons: 1.5 (b)(d)

Summary

¶1. (C) President Uribe begins his second term with a fragile majority in Congress, which will require him to devote substantial time and political capital to domestic politics. Uribe insiders say the next 9-12 months will be critical for his legislative agenda, as jockeying for the 2007 local elections and the 2010 presidential race will likely weaken his congressional coalition after June of next year. Still, he is likely to achieve FTA ratification and to continue his strong record on extraditions. End summary.

Fragile Coalition

¶2. (C) Uribe begins his second term with the ostensible backing of 69 of the 102 Senators and 96 of the 166 members of the lower House. Still, his hold on Congress is more tenuous than these numbers suggest. Uribe's coalition is built on his personal popularity and success; it has neither ideological nor programmatic coherence. Many of its members are former Liberal Party regional barons who joined the Uribe bandwagon, but retain strong ties to their former colleagues. The coalition's core party--the Party of the U--lacks a clear vision, strong party leadership and a national structure. The leaders of other key coalition partners--the Conservative Party and Cambio Radical--are focused more on promoting their own partisan and personal agendas than in supporting the government. Presidential spokesman Jorge Mario Eastman told us legal reforms designed to improve party discipline have benefited the opposition Liberal Party more than the ruling coalition. He said President Uribe would have to devote valuable time and political capital to hold together his fractious majority.

¶3. (C) Presidential Secretary General and key political operative Bernardo Moreno told us Uribe has a "honeymoon" of about 9-12 months to achieve his legislative objectives on FTA, tax, and fiscal reforms. Competition among the coalition's members will increase in advance of the October 2007 local elections as the U Party attempts to enter local politics--long dominated by the Liberals and Conservatives--for the first time. Jockeying for the next presidential elections has also already begun, and internal tensions within the Uribe coalition will intensify as 2010 approaches. Cambio Radical leader German Vargas Lleras wants to be president and believes Uribe has treated him and his

party poorly in parcelling out congressional leadership posts. Defense Minister and U Party founder Juan Manuel Santos also has presidential aspirations and is a long-time Vargas Lleras rival. Each tries to outmaneuver the other, heightening intra-coalition conflict.

Early Signs Not Encouraging

¶ 15. (C) An ugly intra-coalition dispute over leadership positions in the new Congress publicly highlighted Uribe's difficulties. As the new Congress convened, Vargas Lleras flirted with the opposition Liberal Party in an effort to block the coalition from electing congressional leaders, threatening Uribe's legislative majority and leading him to add coalition partners who are arguably even less loyal to the president. Several of the new coalition members also allegedly have paramilitary ties. This episode was followed by accusations of double crossing when Vargas Lleras allied with the Liberal Party to elect members of the electoral tribunal. The fallout from the Uribe's coalition's inability to get its people elected to the tribunal led Uribe coalition members to call for polygraph tests for coalition legislators and to look into rumors of vote buying. U Party members are already speculating on how many of Vargas Lleras' Cambio Radical members they can lure to the U Party if the coalition fractures. Meanwhile, the media is criticizing Uribe for resorting to "politics as usual," and for abandoning his commitment to political reform.

Tax and Fiscal Reform

¶ 16. (C) Uribe's tax and fiscal reform proposals will test his ability to hold his coalition together. Senate Secretary General Emilio Otero said the Uribe tax proposal is unpopular even among Uribe coalition parties. He said any member who voted for Uribe's tax reform bill as written would face a severe backlash in their hometowns. Otero said Uribe would wait until the last possible moment of the 2006 session in December to "ram the bill through" with minimal concessions. Our contacts agreed Uribe "had a chance" to pass tax reform, but this will depend on Uribe's ability to use pork barrel tactics to ensure support. Several coalition party leaders told us they were waiting for administration flexibility on proposed value added tax increases on basic food items. Liberal Party leader Cesar Gaviria told us Uribe will obtain congressional approval of a tax package, but that it will differ significantly from his original proposal.

FTA and Extradition

¶ 17. (C) No informed observers in any party predict Uribe will have problems with two issues associated with U.S. interests: FTA approval and extradition. Recent polls show support for FTA hovering just under 60 percent; we assess support among legislators to be even higher. Only the opposition leftist Polo Democratico Alternativo opposes FTA ratification. The Liberals have not adopted a party position but we expect many will vote in favor. All of Uribe's coalition partners support FTA. Despite opinion polls showing substantial popular opposition to extradition, there is no significant sentiment in Congress to modify Uribe's strong extradition record. The GOC has extradited over 380 drug traffickers and terrorists to the United States over the last four years.

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